



**HOUSING AUTHORITY  
of the County of Los Angeles**

Administrative Office

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Commissioners

**Carlos Jackson**  
Executive Director

April 22, 2008

**ADOPTED**  
BOARD OF COMMISSIONERS  
HOUSING AUTHORITY

1-H

APR 22 2008

Honorable Board of Commissioners  
Housing Authority of the  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Dear Commissioners:

**APPROVE THREE CONSTRUCTION CONTRACTS AND TWO ENVIRONMENTAL  
ASSESSMENT AND REMEDIATION AGREEMENTS FOR MODERNIZATION  
OF EIGHT ELEVATORS AT THREE HOUSING AUTHORITY  
SENIOR HOUSING DEVELOPMENTS (2,3)  
(3 VOTE)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Find that the approval of construction contracts and environmental assessment and remediation agreements for modernization of eight elevators at South Bay Gardens located in the unincorporated area of Los Angeles County, Marina Manor I and II located in Marina Del Rey, and Palm Apartments located in West Hollywood is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Approve and authorize the Executive Director to execute three construction contracts (Contracts) in the aggregate amount of \$2,273,000, in substantially the form of the attached, and all related documents, with ML Construction, to modernize eight elevators at the following three senior housing developments: South Bay Gardens located in the unincorporated area of Los Angeles County, Marina Manor I and II located in Marina Del Rey, and Palm Apartments located in West Hollywood, to be effective following execution by all parties and the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.



3. Approve and authorize the Executive Director to execute two environmental assessment and remediation agreements (Agreements) in the aggregate amount of \$160,000, in substantially the form of the attached, and all related documents, with Rincon Consultants, Inc., for environmental assessment services related to the modernization of six elevators at the following two senior housing developments: Marina Manor I and II and Palm Apartments, to be effective following execution by all parties and the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.
4. Authorize the Executive Director to use a maximum aggregate amount of \$2,433,000 in Capital Fund Program (CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) for the purposes described herein, and authorize the Executive Director to approve Contract change orders not to exceed \$486,600 for unforeseen project costs, using the same source of funds.
5. Authorize the Executive Director to incorporate up to \$2,919,600 in CFP funds into the Housing Authority's approved Fiscal Year 2007-2008 budget, for the purposes described above.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The purpose of this action is to award three Contracts for the modernization of eight elevators at three senior housing developments at South Bay Gardens in the unincorporated area of Los Angeles County, Marina Manor I and II in Marina Del Rey, and Palm Apartments in West Hollywood, and to award two Agreements for environmental assessment and remediation services related to the modernization of six elevators located at Marina Manor I and II and Palm Apartments.

**FISCAL IMPACT/FINANCING:**

There is no impact on the County general fund. The Housing Authority will fund the elevator modernization project with \$2,433,000 in CFP funds allocated by HUD. A 20% contingency, in the amount of \$486,600, is also being set aside for unforeseen costs, using the same source of funds. A total of up to \$2,919,600 in CFP funds will be incorporated into the Housing Authority's approved Fiscal Year 2007-2008 budget, for the purposes described above.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

The eight elevators at the three senior housing developments are original to each of the buildings. The three-story, 100-unit South Bay Gardens senior housing development

was built in 1982 and has two elevators. The four-story, 71-unit Marina Manor I, and eight-story, 112-unit Marina Manor II, were built in 1983 and have a total of four elevators. The five-story, 127-unit Palm Apartments was built in 1978 and has two elevators.

The conditions of the eight elevators are as follows:

- South Bay Gardens: Both elevators show deterioration, corrosion and severe need of controls modernization; the door operation and floor-to-floor performance is very poor, and the elevator pits are prone to water seepage because the waterproofing of the walls has been compromised due to age.
- Marina Manor I: One of the two elevators is out of service due to an oil leakage from the hydraulic cylinder assembly; there is a need of controls modernization, and the door operation and floor-to-floor performance of the second elevator is very poor.
- Marina Manor II: There is a need of controls modernization; and the door operation and floor-to-floor performance is very poor in both elevators.
- Palm Apartments: One of the two elevators is out of service due to an oil leakage from the hydraulic cylinder assembly; there is a need of controls modernization, and the door operation and floor-to-floor performance of both elevator is very poor.

The existing conditions could result in closure of the elevators. This would place an immediate and substantial hardship on many of the senior and disabled residents who would have difficulty using the stairs to get to their units, resulting in their temporary relocation until the elevators could be replaced. Additionally, all three sites have high water tables, and leaking hydraulic fluid in the elevator shafts could contaminate groundwater.

For these reasons, the Housing Authority determined that the situation is urgent, and that an elevator construction contractor needed to be procured to modernize the elevators. In order to meet residents' needs, eliminate potential risks, and avoid relocation costs, Housing Authority staff has determined that regular procurement requirements be set aside and that contracts for the consecutive modernization of the elevators be executed as quickly as possible.

The Housing Authority selected contractors to accomplish these tasks based on past performance and ability to perform the required tasks immediately. Selection of these contractors conforms to the Housing Authority's guidelines for non-competitive procurement.

It is anticipated that the project will be completed within 180 calendar days following the Notice to Proceed.

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program and General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, the Contractors will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The three Contracts and two Agreements have been approved as to form by County Counsel. At its April meeting, the Housing Commission will consider recommending approval of award of the three Contracts and two Agreements.

#### **ENVIRONMENTAL DOCUMENTATION:**

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(ii), this action is excluded from the National Environmental Policy Act (NEPA) because it involves activities that will not alter existing environmental conditions. The action is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 and 15330 because it does not have the potential for causing a significant effect on the environment.

#### **CONTRACTING PROCESS:**

Due to the urgent nature of this project, the Housing Authority followed its procurement policy as it relates to noncompetitive proposals. In this case, a contract may be awarded by noncompetitive proposals because the present situation, which arose by reason of equipment failure, seriously threatens the public safety and endangers property. In addition, there is an immediate and serious need for contractual services, which cannot be met by regular procurement procedures.

The Housing Authority referred to its list of eligible contractors for firms available to perform this work immediately. The Housing Authority will execute three Contracts with ML Construction for the construction-related work at all three senior housing developments.

The Housing Authority will execute two Agreements with Rincon Consultants, Inc. for environmental assessment and remediation services at Marina Manor I and II and Palm Apartments, if additional environmental assessment services are required and/or environmental contamination is discovered during the assessment.

ML Construction was selected because the firm's equipment delivery time is nearly three months faster than the other firms contacted. Both contractors are fully qualified to perform the work required, and are available to begin immediately following Board approval.

**IMPACT ON CURRENT PROJECT:**

The award of the three Contracts and two Agreements will provide for the modernization of eight elevators at three senior housing developments.

Respectfully submitted,

  
for CARLOS JACKSON  
Executive Director

Attachments: 2

## ATTACHMENT A

## SOLE SOURCE CHECKLIST

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS <i>Identify applicable justification and provide documentation for each checked item.</i>
	➤ Only one bona fide source for the service exists; performance and price competition are not available.
	➤ Quick action is required (emergency situation).
	➤ Proposals have been solicited but no satisfactory proposals were received.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best interest of the County, e.g., administrative cost savings, excessive learning curve for a new service provider, etc.
✓	➤ Other reason. Please explain: Liability to Housing Authority if hydraulic fluid leaks into groundwater. Risk of second elevator shutting down, requiring relocation of all residents at substantial cost. Contractor has expertise in elevator modernization. Six month time savings vs. standard procurement, and three months vs. sole source with another firm.

Bobbette L. Glover  
Assistant Executive Director, Housing Authority

4/10/08  
Date

Lyni Muehan  
Deputy Chief Executive Officer, CEO

4/10/08  
Date

**Contract Summary**

**Project Name:** Elevator modernization  
**Locations:** South Bay Gardens, 230 East 130<sup>th</sup> Street, unincorporated Los Angeles County  
Marina Manor I and II, 3401 & 3405 Via Dolce, Marina Del Rey  
Palm Apartments, 959 North Palm Avenue, West Hollywood  
**Bid Number:** Not Applicable  
**Bid Date:** Not Applicable  
**Contractors:** ML Construction and Rincon Consultants, Inc.  
**Services:** Construction services and environmental assessment and remediation services for elevator modernization

**Construction Contract Documents:** Part A – Instructions to Bidders and General Conditions, Part B – Specifications, Part C – Bidder's Documents, Representations, Certifications, Bid, and Other Statements of Bidder

**Agreement Documents:** Attachment A – Billing Rates and Attachment B - Safely Surrendered Baby Law and Poster

**Time of Commencement:** The work shall commence following receipt of written Notices to Proceed from the Housing Authority.

**Aggregate Contract Sum:** The Housing Authority shall pay ML Construction for the performance of the construction contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **Two Million Two Hundred Seventy-Three Thousand Dollars and Zero Cents (\$2,273,000)**, and shall pay Rincon Consultants, Inc., for the environmental assessment and remediation services contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **One Hundred Sixty Thousand Dollars and Zero Cents (\$160,000.00)**.

**Contract Contingency:**     **ML Construction - \$454,000.00**  
                                      **Rincon Consultants, Inc. - \$32,000.00**